



Request for Qualifications and Proposals

Casino Development & Operator

Waukegan, Illinois

Release Date: Wednesday, July 3, 2019

Proposal Deadline: Monday, July 22, 2019, 3:00 p.m. (Central)

There will not be a public opening of submittals.

Proposals must be submitted as follows (nonconforming deliveries will not be accepted):

- One (1) unbound original with original signature and notary stamp on Non-Collusion Affidavit
- Ten (10) bound copies
- One (1) electronic copy on USB drive, labeled with Project Team name
- All pages on standard letter (8.5" x 11") or tabloid (11" x 17") paper
- Application fee enclosed
- Any confidential or proprietary information contained in the proposal must be identified as such.
- Clearly labeled in the lower left corner on the front of the package: "Casino Development Proposal"
- Submitted in a sealed package
- Submitted to:

Waukegan City Clerk
Waukegan City Hall, first floor
100 N. Martin Luther King, Jr. Avenue
Waukegan, IL 60085

INTRODUCTION

The City of Waukegan (the “City”) invites qualified Project Teams (the term “Project Team” should be interpreted as reflecting the entire development/operator group) to submit proposals through the issuance of this Request for Qualifications and Proposals (“RFQ/P”) for the development of a successful casino and associated amenities in accordance with the Illinois Gaming Act (the “Act”). The Act was recently amended to allow for a license to be issued to a Riverboat Casino within the corporate limits of the City of Waukegan. The Act further provides for only a 120-day window from the time of the Governor’s signature on the legislation (June 28, 2019) for developers to submit a full application to the Illinois Gaming Board after the City issues a letter of support and has an agreement with a Project Team. Given these requirements, the City seeks to maximize the value of the gaming license and assure long-term viability of the casino while moving quickly through the statutory vetting process.

Waukegan, located in Lake County in northeastern Illinois, sits at the shore of Lake Michigan, just south of the Wisconsin state line. Waukegan is centrally located between Chicago and Milwaukee, and has a population of nearly 90,000. A community diverse in character and opportunities, Waukegan is postured for growth.

The City holds several properties, including some it has identified as possible locations for a casino. One such site, commonly referred to as “the casino site,” is located within its Fountain Square development. This property is approximately 28 acres in total, and is in an area with retail and commercial development. This location is directly accessible to IL-43/Waukegan Road, and close to IL-120/Belvidere Road, US Hwy. 41, and I-94. The property’s PIN number is 07-36-104-001 (see Exhibit A).

The City of Waukegan also owns various other properties, which may be viable locations for a casino, within the downtown or Lake Michigan lakefront areas. These properties range in size, and many are contiguous with other City-owned parcels, which could be combined (see Exhibit B). The City is also amenable to the consideration of privately owned parcels, or to assisting the Project Team in necessary acquisitions of other parcels.

DEVELOPMENT OBJECTIVES

The City is seeking a financially successful development that maximizes sales tax and gaming revenues to the City and that provides a significant number of quality jobs to its residents, as well as increasing the City’s EAV and bolstering its property tax base. The Project Team will be required to make substantial improvements to the selected site, which, at a minimum, shall include a casino, sports betting, and parking facilities, as well as other supporting infrastructure, and to operate and maintain the casino, site, and business operations.

SUBMITTAL REQUIREMENTS

Pursuant to the requirements and timeline of the Act, the City of Waukegan, Illinois (the “City”) is issuing this Request for Qualification/Proposals soliciting responses from qualified Project Teams for the siting, licensure, and development of a Riverboat Casino within the Corporate Limits of the City of Waukegan.

The successful Project Team, with whom the City of Waukegan will negotiate specific terms for a casino development, will provide a thorough and detailed response to the components herein. There is no specific page limit, but Project Teams must adhere to the submittal guidelines on the cover of this RFP.

1. Property Specifications and Location

Identify the proposed location for the development, including whether located on City-owned or privately held property, and describe the plan to acquire the development location. Provide detail of property size and access requirements, and any other pertinent specifications. If purchase of City property is contemplated, an offer for the selected site(s) should be provided. Because of the 120 day limitation on local vetting described above, the Project Teams are cautioned to consider zoning and special use issues that may require public hearings and to investigate entitlements on specific parcels under consideration. Additional property research can be conducted using the Lake County online mapping system (<https://maps.lakecountyil.gov/mapsonline/>).

2. Description of Proposed Development

- A. Describe, in detail, the proposed casino development. Include the number and types of gaming positions, sports betting plan, the physical layout of the space, the parking plan, and a description of any included restaurant, hotel, convention, retail, entertainment, or other accessory or adjacent facilities. If available, include any site plan, elevations, renderings, floor plans, etc.
- B. Provide a phasing plan and timeline for all project components.
- C. Describe all sustainable development components incorporated into the development, including LEED standard to be met, integration of solar and green roof, energy efficiency, landscape and stormwater management, local food, sustainable waste and material management, water resources stewardship, etc.
- D. Describe the target audience and marketing approach.
- E. Describe the timeline for the development, including temporary operations.
- F. Describe any plans for community reinvestment, including (without limitation)
 - i. local hiring and job training initiatives,
 - ii. organized labor commitments,
 - iii. minority, woman, veteran, disabled person owned business commitments,
 - iv. buy-local commitments,
 - v. sponsorships, contributions, and event participation,
 - vi. foundation establishment or investment,
 - vii. other community-oriented plans.
- G. Explain and quantify the benefits for the City of Waukegan and its residents, including, but not limited to, the estimated economic impacts. Explain and quantify the benefits to Lake County and the Cities of North Chicago and Park City.

- H. Describe, in detail, any expectations or requests the proposal makes of the City.

3. Project Team and Experience

- A. Provide disclosures for the Project Team in accordance with 230 ILCS 10/5.1.
- B. Describe the role of each party managing the proposed casino operation.
- C. Describe the experience of the Project Team. Provide detail for each member of the team, as well as the experience as a team, including experience developing and operating casinos and other proposed operations. Explain why this proposal will result in long-term benefits to the City and constitute a financially successful overall development.

4. Financial Data

- A. Provide three (3) years of Annual Reports intended to give information about the activities and financial position of each member of the organization, such as audited balance sheet, income statement, disclosure of management fees, statement of cash flows, Form 10-K.
- B. Provide information and documentation on *existing projects and those underway in other locations*, including, at a minimum:
 - i. Cost of project
 - ii. Financing associated with project
 - iii. Disclosure of management fees
- C. Financial reports for other similar projects managed by the Project Team
Financial reference from the principal lender(s) or investor(s), representing at least 51% of the interest, and associated with at least one existing project, that may speak to the financial responsibility and stability of each of the organizations submitting the proposal, based on direct and long-term working relationship with the organization and/or its principals.
- D. Provide information and documentation on financing for *this proposed Waukegan development*, including:
 - i. Expected cost of project
 - ii. Financing associated with the project
 - iii. Incentives, including desired levels and types of incentives that may be requested from the City, along with any rationale that demonstrates that any such incentives may be in the City's best interests, including associated EAV projections to support the request.
 - iv. Preliminary pro forma showing anticipated revenues generated
 - v. Disclosure of all management fees

5. Application Fee

A non-refundable application fee in the amount of \$25,000 is required as part of this submission. A certified check or money order, made payable to "City of Waukegan" and enclosed in the submittal package.

PROPOSAL EVALUATION

Proposals will be ranked by a City of Waukegan Review team based on how well the Project Team proposals meet the Development Objectives and Submittal Requirements described in this RFQ/P. Staff and consultants will evaluate economic, financial, and other submittal information. It is anticipated that a selection of finalists will be made, from or with whom the City may chose, in its sole discretion, to request additional written information, conduct interviews, hold site visits, or any combination of these. The review team's recommendation for the top ranked Project Team(s) will be forwarded to the City Council for its independent review and action.

One or more Project Team(s) will be selected with whom the City will enter negotiations to become the chosen casino developer/operator. Time is of the essence in this effort, as this is an impactful and long-awaited project for the City of Waukegan.

ADDITIONAL INFORMATION

All questions should be addressed to casino@waukeganil.gov.

Any questions and responses received before 5:00 p.m. on Thursday, July 18 may be posted as addenda to the RFP. Questions received after that time may not receive a response.

All submittals must conform to the requirements detailed in this document. Any incomplete submittals may be rejected.

Any confidential or proprietary information contained in the proposal must be identified as such.

The cost of any survey of the Development Site will be a cost of the developer. Under no circumstances shall the City be liable for any of the costs of any party making a submission under this RFP, negotiating with the City or otherwise participating in the RFP process.

This RFP shall not create any legal obligations on the City to evaluate any responses that are submitted, or to enter into any contract or other agreement with any party who submits responses to this RFP, except on terms and conditions the City deems, in its sole and absolute discretion, to be satisfactory and desirable. The right is reserved by the City to reject or accept any and all submissions in whole or in part, and to accept proposals from more than one Project Team in whole or in part.

NOTICE

OF PROHIBITION OF COMMUNICATION WITH, AND GIFTS OR GRATUITIES TO, THE CITY AND OTHERS

Commencing immediately upon the public release of this RFQ/P, and continuing until negotiations with the Project Team for the development are complete, if any, Project Teams shall not:

1. Hold any meetings, conferences, or discussions with any Waukegan City Council members, City Employees, or City Contractors involved in the RFP process, or any Lake County, City of North Chicago, or City of Park City representatives, except as expressly allowed by this RFP (all communications should be addressed to casino@waukeganil.gov);
2. Communicate, in any manner, with the individuals listed in Paragraph 1 of this Section, unless authorized by the City of Waukegan. Project Teams and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting. In addition, Project Teams may write to the City Council as a whole once the staff recommendations are made in anticipation of a public meeting.
3. In addition, from the date of the report to the City Council recommending the issuance of this RFP, to the date on which the City Council awards a contract, if any, a Project Teams must not directly or indirectly give, furnish, donate, or promise any money, compensation, gift, gratuity, or anything of value to the individuals listed in Paragraph 1 of this Section for the purpose of, or which has the effect of:
 - A. Securing or establishing an advantage over other Project Teams;
 - B. Securing or recommending the selection of the Project Team's Proposal; or
 - C. Securing or recommending the Contract's award to the Project Team.
 - D. Violations of Paragraphs 1 or Paragraph 2 of this Section, or both, will constitute grounds for rejection.
4. Pursuant to 230 ILCS 10/5.3(i), note that any and all contacts between Project Team members (or their agents) and any City official or employee must be reported to the Illinois Gaming Board.

Exhibit A – Fountain Square Property

PIN 07-36-104-001

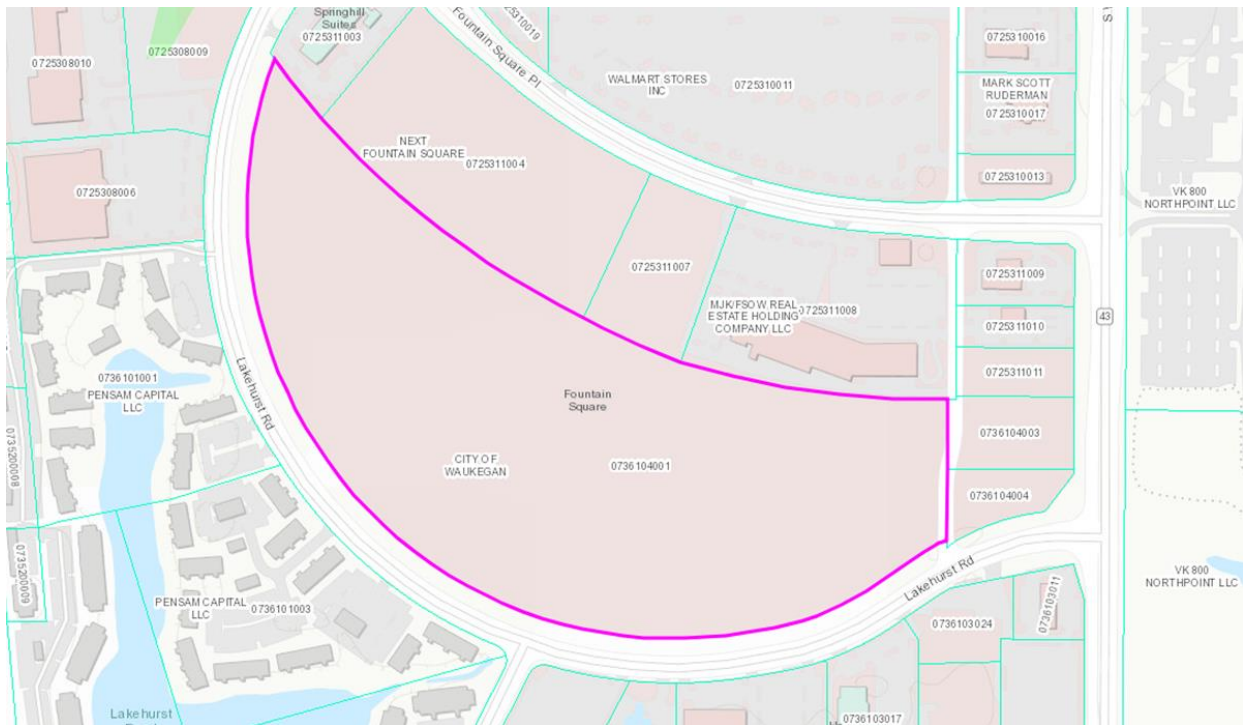
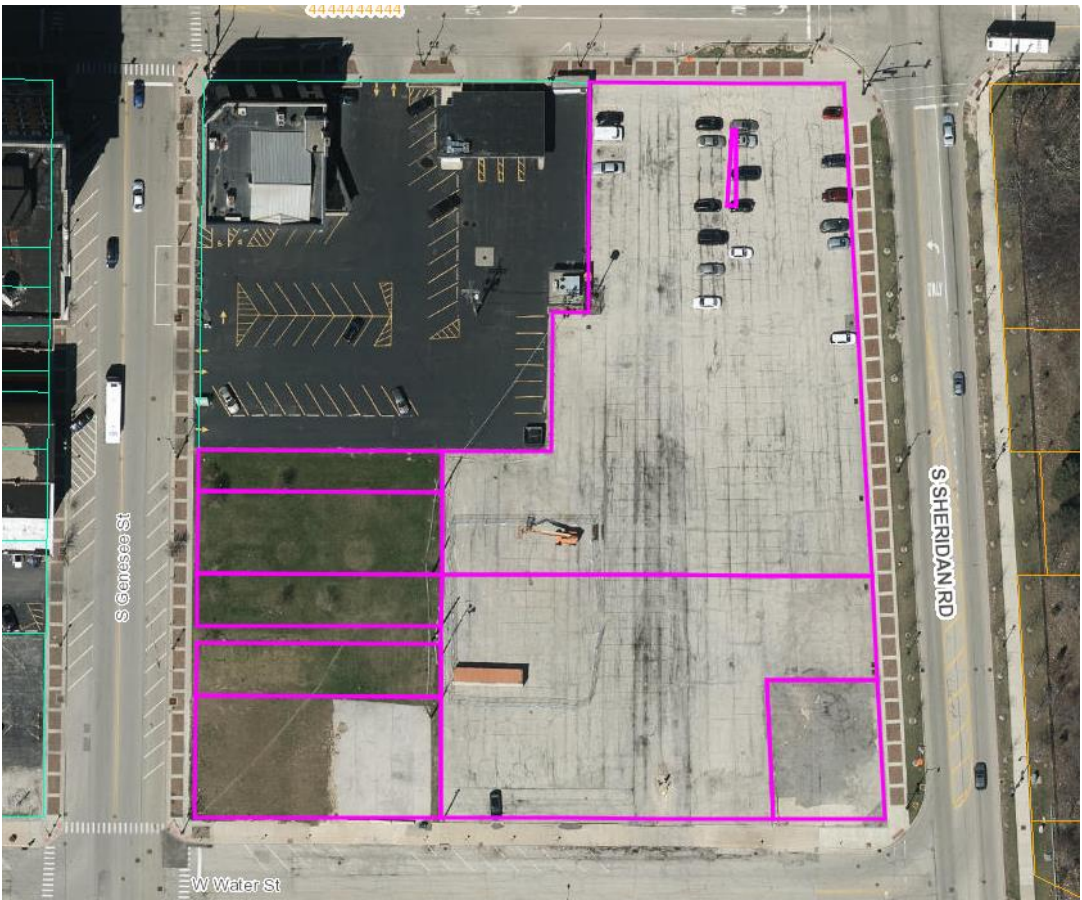


Exhibit B – Downtown and lakefront properties

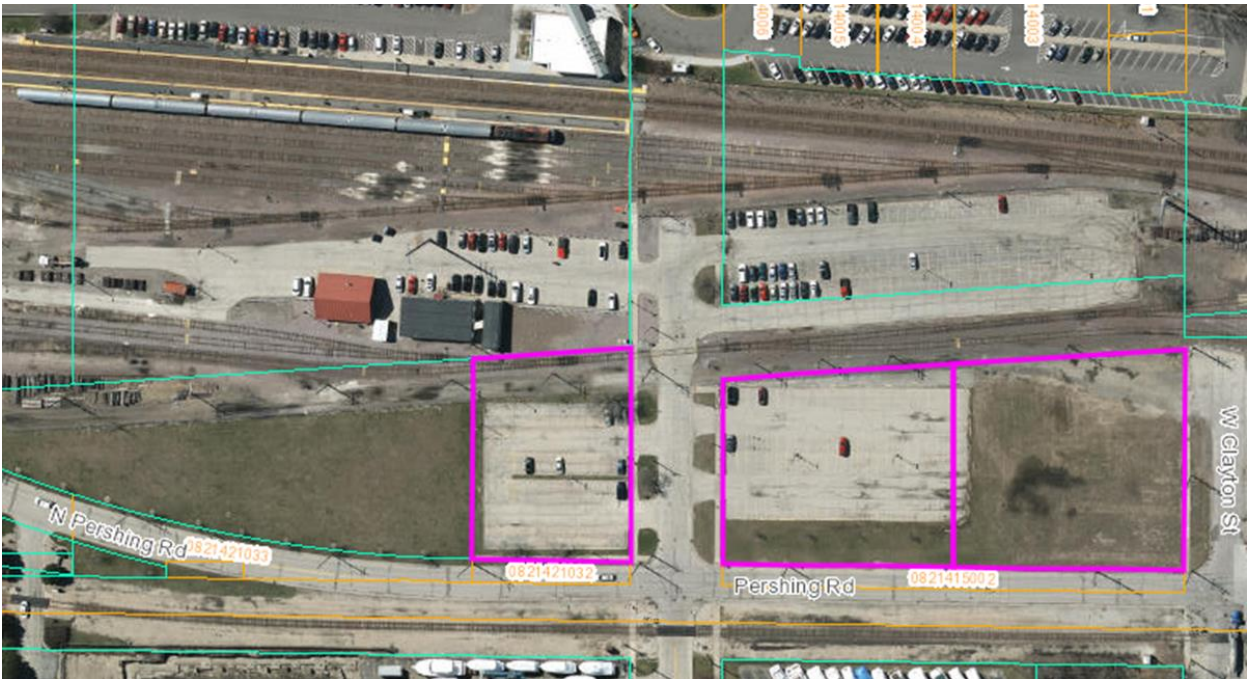
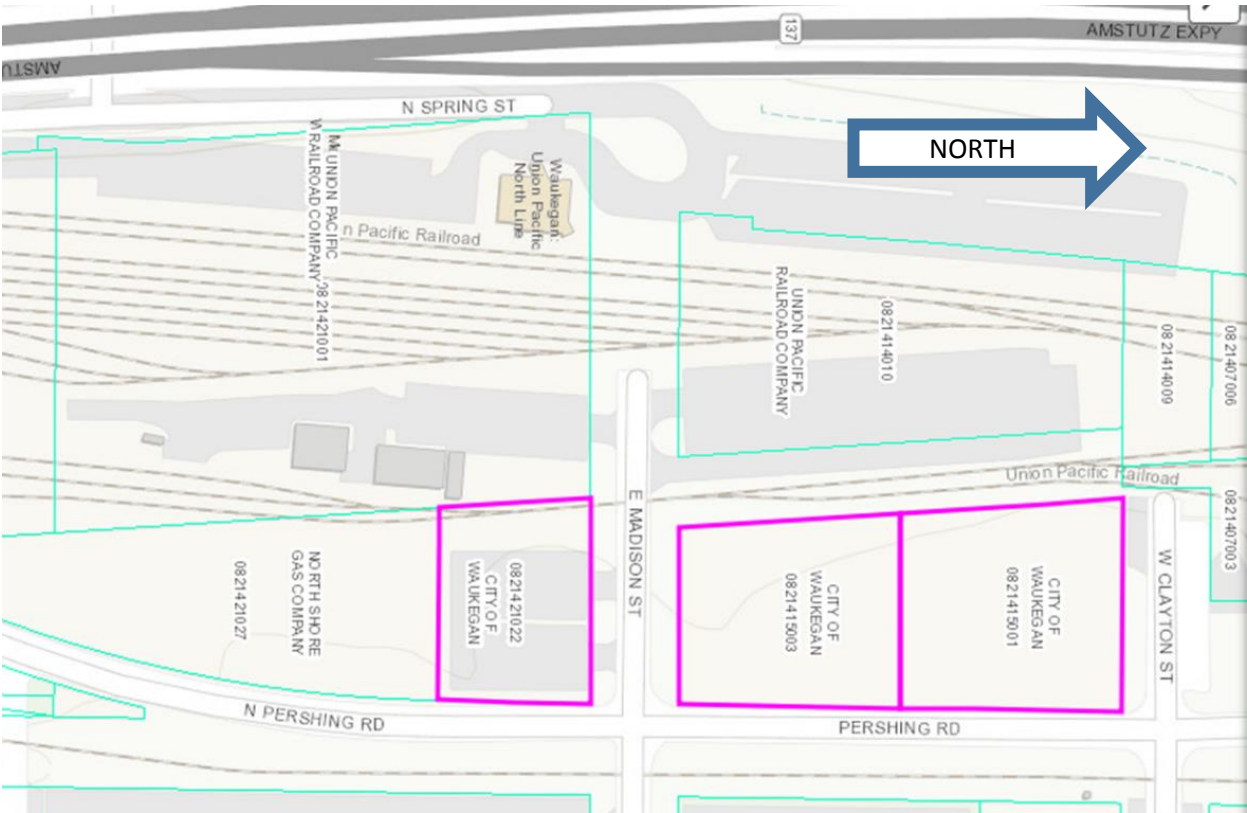
PINs 08-21-426-011, 012, 013, 014, 015, 017, 018, 019



PINs 08-21-438-006, 08-28-204-004, 005, 011, 012, 013,014, 08-28-210-001, 002, 021, 08-28-212-011



PINs 08-21-415-001, 002, 08-21-421-022



PINs 08-22-100-063 (not including dunes), 08-22-100-062, 068

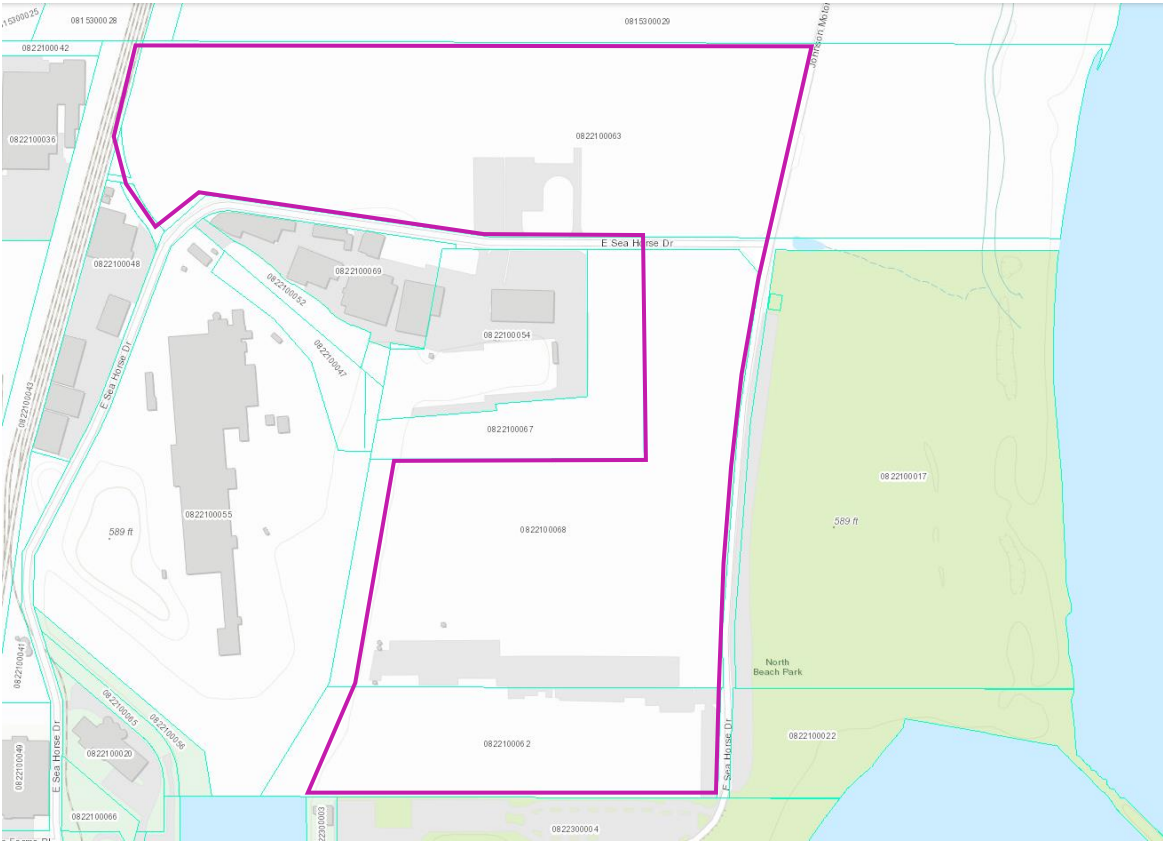


EXHIBIT C

NON-COLLUSION AFFIDAVIT

STATE OF ILLINOIS)
) ss
COUNTY OF LAKE)

This Non-Collusion Affidavit is made as of the _____ day of _____, 2019 by _____ (the “**Undersigned**”), being the _____ (sole owner, partner, president, secretary, etc.) of _____ (the “**Project Team**”), in connection with its submission to the City of Waukegan (the “**City**”) pursuant to the Request for Qualifications/Proposals issued by the City of Waukegan. The Undersigned states that he or she has personal knowledge of the matters contained herein, and has been authorized by the Project Team to make the statements contained herein.

The Undersigned, being first duly sworn, deposes and says that he or she is the _____ (sole owner, partner, president, secretary, etc.) of the Project Team; that the submission was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation; that said submission is genuine and not collusive or a sham; that said Project Team has not directly or indirectly induced or solicited any other party to submit a false or sham response or bid in response to the RFQ/P, and has not directly or indirectly colluded, conspired, connived, or agreed with any party to put in a sham bid pursuant to the RFQ/P, or that anyone should refrain from bidding pursuant to the RFQ/P; that said Project Team has not in any manner, directly or indirectly, sought by agreement, communication or conference with anyone to fix any element of such submission, or of that of any other Project Team, or to secure any advantage against the City or anyone interested in the RFQ/P or any agreement contemplated thereby; that all statements contained in the submission are true and not misleading; and, further, that said Project Team has not, directly or indirectly, submitted its proposal or any breakdown thereof, or the contents thereof or divulged information or data relative thereto, or paid and will not pay any fee in connection therewith to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any other individual except to such person or persons as have a partnership or other financial interest with the Project Team in its general business.

Signed: _____

Title: _____

Subscribed and sworn to before me this _____ day of _____, 2019.

(SEAL)

Notary Public